

STATE SENATOR • MARTHA G. SCOTT

Scott Press Release

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Scott Applauds Veto of Payday Lending Bill

(LANSING) – State Senator Martha G. Scott (D-Highland Park) today applauded Governor Granholm’s veto of a payday lending bill that would have allowed the industry to continue to charge exorbitant fees.

“Codifying the payday lending industry’s authority to rake in exorbitant profits from those that can least afford it is not good public policy,” Senator Scott said when she learned of the Governor’s decision. “As elected officials, it is our responsibility to protect the least of our neighbors; well, it’s the least of our neighbors that are being fleeced.”

The bill, as presented to the Governor, would have allowed payday lenders to charge 15.27 percent of the amount loaned to the customer, or 13.25 percent of the face value of the check.

Senator Scott argued strongly against the House version of the bill that was vetoed today. She proposed amendments to the bill that would have, among other changes, capped the interest rate at a maximum 10 percent, limited the number of loans that customers can have active at one time, and created oversight for an industry that is largely unregulated.

“Governor Granholm’s veto message today echoes my demand for stronger consumer protection,” Senator Scott said. “I stand willing and ready to work with industry and my colleagues in the legislature to fashion a bill that is acceptable to both Governor Granholm and the consumers in our state.”

Senator Scott represents the 2nd Senate District, which includes areas of Detroit and the cities of Hamtramck, Harper Woods, Highland Park and all of the Grosse Pointes. She serves on the Senate Appropriations Committee.